

9COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5061-02
Bill No.: HB 1500
Subject: Business and Commerce; Civil Rights
Type: Original
Date: April 10, 2012

Bill Summary: This proposal changes the laws regarding complaints filed with the Missouri Commission on Human Rights and makes discrimination based upon a person's sexual orientation or gender identity an unlawful discriminatory practice.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator, Office of Administration - Budget and Planning** and **Administrative Hearing Commission** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Administration - Division of Personnel** state the proposed legislation will offer employees additional routes for discrimination claims. It would be difficult to estimate how many situations could arise, how many claims filed based on that, and cost subsequent litigation. Therefore, all cost are listed as unknown.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Attorney General's Office (AGO)** state this proposal will enable new cases of alleged discrimination based on sexual orientation to come before the Human Rights Commission. As a result, the AGO anticipates additional work in representing the Commission. At this time, it is unknown how many new claims will be filed by individuals alleging discrimination based on sexual orientation. AGO assumes that the number of claims in the first few years will be less than 10 and that the AGO can absorb the cost of representing the Commission in its review of these claims.

ASSUMPTION (continued)

However, if there is a significant increase in claims over time, the AGO may seek additional appropriations to adequately represent the Human Rights Commission in handling these claims.

Officials from the **Department of Labor and Industrial Relations (DOL)** state from FY02 to FY10, 20.5 full time equivalent positions were eliminated. Therefore, the ability of the Missouri Commission on Human Rights (MCHR) to carry out any additional responsibilities at this time is problematic. The MCHR received 1,831 complaints in FY11. If this increased by 2.4% due to adding sexual orientation as a protected category, this would add 45 new complaints. The Department estimates at minimum MCHR would need .50 FTE to absorb the additional workload. Each Human Relations Investigator is required to investigate a minimum of 96 cases a year and most average 96 cases per year. Therefore, 45 divided by 96 additional cases equals approximately .50. The salary plus fringe benefits would be \$26,004 in fiscal year 2012, \$31,518 in fiscal year 2013 and \$31,833 in fiscal year 2014.

Oversight assumes DOL is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOL could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOL could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

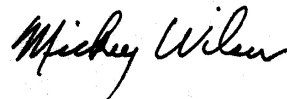
The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Administrative Hearing Commission
Office of Administration - Budget and Planning
Office of the State Courts Administrator
Office of Administration
Department of Labor and Industrial Relations
Office of the Secretary of State
Joint Committee on Administrative Rules

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director
April 10, 2012